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UNCLAS SECTION 01 OF 06 PORT AU PRINCE 001748

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SUBJECT: POSTCARD FROM CAP HAITIAN: ISSUES, REQUESTS &
MOVING FORWARD

REF: A. A. PORT AU PRINCE 1492
[1](#)B. B. PORT AU PRINCE 1359
[1](#)C. C. PORT AU PRINCE 1068
[1](#)D. D. PORT AU PRINCE 1104
[1](#)E. E. PORT AU PRINCE 425

PORT AU PR 00001748 001.2 OF 006

[1](#)1. (SBU) Summary: Cap Haitien officials downplayed security issues but highlighted economic hardship and municipal budget constraints as key impediments to progress in Haiti's second largest city. The delegate for the North Department discussed the effects of the recent hurricanes on the region and lamented a perceived reduction of U.S. assistance to the area. Authorities highlighted the increased presence in Cap Haitien and surrounding communes of persons displaced by the hurricanes. Crime, particularly kidnappings, has increased in recent weeks. MINUSTAH is diligently preparing for one-third senate elections planned for April.

Infrastructural challenges persist for the under-utilized Cap Haitien port and the Venezuelan-financed electricity plant and airport. Despite difficult economic times, the private sector is rallying together to promote northern Haiti as a tourist destination and HOPE II is expected to generate 1,000 additional jobs in the nearby Free Trade Zone. End Summary.

Cap Haitien Mayors Speak Out

[1](#)2. (SBU) Cap Haitien, on Haiti's north coast is the capital of the North Department and the country's second largest city. Econ/Poloff and USAID Specialist met November 19 with both Famni Lavalas partisans Deputy Mayors Fritz Joseph and Philocles St. Fleur who asked why there is no permanent U.S. Embassy presence in Cap Haitien. They suggested a Haiti Stabilization Initiative (HSI) program for Cap Haitien, modeled after the one in Cite Soleil, but insisted the city's many needs and problems were not security-related. Joseph and St. Fleur claimed that 80 percent of the city's constituency is satisfied with the work of the Mayor's office (Mairie). They said they want to change the Mairie's image of exclusive association with the Lavalas political party.

[1](#)3. (U) Inactivity at the Mairie was attributed to the fact that the previous day was the November 18 Battle of Vertieres holiday. (Note: All other public offices visited on November 19, including the port and the Office of the Delegate of the North, were open and fully functioning. End note) The deputy

mayors complained about the lack of Cabinet or high-level GoH participation at the holiday celebration in Cap Haitien.

¶14. (SBU) Deputy Mayor Joseph said the Mairie's annual budget is not enough for its approximately 4,000 employees and therefore runs an annual deficit, citing the police budget in particular. Deputy Mayor St. Fleur opined that the economic downturn in the U.S. is having a negative impact on money transfers (remittances) to city inhabitants.

¶15. (U) The deputy mayors complained that Cap Haitien does not have its own garbage collection truck and depends upon the Ministry of Public Works and Transportation's National Center for Equipment (CNE) to collect the trash. (Comment: Econ/PolOff saw two CNE trucks cleaning drainage canals. End comment)

Delegate's Perspective on USG Assistance

¶16. (SBU) North Department Delegate Georgemain Prophete met with embassyoffs to discuss developments in the northern region. (Note: Prophete is the equivalent of a U.S. state governor, holds executive power and coordinates all government actions in the Department, comprised of approximately 1.2 million people in 19 communes, including the city of Cap Haitien. End note) He said his northern delegation is committed to carrying out elections in April 2009, but questioned the international community's level of engagement. He lamented the diminishing number of USAID-funded projects, citing the Cooperative Housing Foundation's (CHF) budget cuts in Cap Haitien in response to the need to address severe flooding in the Artibonite Department (and Gonaives, its largest city). He said the U.S. has not done enough for Haiti and he was not surprised with the lack of USG assistance, especially in Cap Haitien.

¶17. (U) Prophete has changed his FY 08 priority of trash collection to a focus on electricity, the airport, and tourism development (ref A). He complained that the people in Cap Haitien, known as Capois, do not have the will to clean up the city. Speaking at length on northern tourist potential, Prophete emphasized the importance of rehabilitating key sites, such as the Palais Sans Souci in nearby Milot. He hoped that ten percent of Royal Caribbean cruise line (RCCL) passengers who disembark at the private site in Labadee would also visit Milot and Cap Haitien during their one-day visit to the country -- perhaps as part of a pilot program.

¶18. (U) Prophete noted that there are only 400 police officers assigned to the entire North Department. His plans for the region include pushing the GoH to conduct a feasibility study for a fuel tanker stop in Cap Haitien to prevent fuel dependency on Port-au-Prince, especially in cases of natural disaster and high fuel prices. (Note: Cap Haitien was cut off from Port-au-Prince for several weeks following the hurricanes of August and September due to the collapse of a vital bridge at Ennery and which is now a major USG post-hurricane reconstruction project. End Note)

Post Hurricane Condition

¶19. (U) Deputy Mayors Joseph and St. Fleur said there was some damage in the communes surrounding Cap Haitien, but no major damage in the city itself due to the August and September storms. Delegate Prophete said the storms had affected towns, such as Plaissance, Pilate, Le Borgne, Limbe, Port Margot, Limonade and Quartier Morin. Prophete added that many internally displaced persons (IDPs) from the Artibonite region -- the area hardest hit -- were fleeing to Cap Haitien and the North Department. He complained that the central government had not helped the Northern Department to accommodate these IDPs.

¶10. (U) Fuel prices have stabilized after nearly six weeks of increases due to the North being cut off from Port-au-Prince

and the subsequent limited supplies of fuel following the storms. Private sector reps said that they were forced to purchase Dominican fuel at nearly USD 8 per gallon on the black market.

MINUSTAH: Security, the Economy, Elections

¶11. (SBU) MINUSTAH Civil Affairs Director Nuhzat Ahmad reported that crime had increased in Cap Haitien. She said that three kidnappings occurred during the week of November ¶17. (Note: Media has also since reported an increase in kidnappings in Cap Haitien. End Note) She attributed the uptick in kidnappings to usual holiday season desperation and the general weak economy. MINUSTAH is working with the Haitian National Police (HNP) on their kidnapping response. Ahmad noted that MINUSTAH has a good rapport with the HNP. MINUSTAH is currently working with the HNP on an applicant vetting system and helping to organize and prepare for new recruits. In contrast to Prophete's statistics, Ahmad admitted there were a few problems with the HNP such as report-writing. Ahmad reported that there are 535 police officers in the North Department (Note: This discrepancy may be due to whether CIMO riot control police and judicial police are counted. End Note)

¶12. (U) Ahmad suggested a need for better international donor coordination, especially given tighter donor budgets resulting from the current economic recession. She said that coordination is particularly required to overcome the current assistance 'vacuum.' Ahmad said many northern Haitians are angry that Gonaives received most of the GoH and international community attention after the hurricanes. She added that many NGOs stationed in Cap Haitien, employing local residents, had left town to respond to the humanitarian crisis in Gonaives.

¶13. (U) Ahmad stated that Cap Haitien has been relatively calm and quiet since the April 2008 food riots. There were some calls for protests but usually only 10-20 people participated. The friction between President Preval and new Prime Minister Michelle Pierre-Louis is also on the minds of residents, according to Ahmad.

¶14. (SBU) Regarding April elections, Ahmad said there were 1135 applications for 57 Communal Electoral Bureau (BEC) posts. The applications will be sent to Port-au-Prince upon completion of the recruitment process. Delegate Prophete adamantly stated that the electoral process would not be corrupt. The Chilean battalion of MINUSTAH is checking all radio communication equipment needed for the election.

More Workers Needed for Underutilized Port

¶15. (SBU) Emboffs met November 19 with National Port Authority (APN) Deputy Port Director Claude Lamothe and Director of Security Pierre Gerald Gay to discuss port developments in Cap Haitien. The port is compliant with International Ship and Port Security (ISPS) codes. APN focuses on maintaining port infrastructure to safeguard its certification. Gay stated that maintenance is sometimes difficult due to meager resources. Both officials lamented poor communication with Port-au-Prince and no communication with international ports, such as Miami. They also complained about receiving the 'leftovers' from what the GoH and international community contribute to the main port in Port-au-Prince. Port officials do not have internet access. They complained that the radios provided by USAID suffer from technical problems. Generators are often not functioning, and electrical power in the area is unpredictable.

¶16. (SBU) Lamothe stated that Mayor Michel St. Croix does not understand the ISPS certification and is therefore suspicious of it. According to Lamothe, the mayor believes that port personnel work for the USG and are not involved in port modernization or security. Port Director Jean Renal

Latortue, who fled the city one year ago following threats from fired APN employees, reportedly "manages" the Cap Haitien port from Port-au-Prince. (Comment: Port Security Director Gay is a close ally of Latortue, and Emboffs perceived tension between Lamothe and Gay when discussing Latortue. End comment)

¶17. (SBU) Lamothe said the hurricanes and economic crisis have not severely affected business at the Cap Haitien port, as it was under-utilized prior to the hurricanes. The port has an extraordinary amount of debt and APN owes large sums of money to the GoH Tax Authority (DGI). APN only recently paid its January 2008 tax bill. It also owes money to the state-owned electricity company, EDH. Gay said the port's financial constraints prevent it from having a stronger security force. The security staff works long hours (12-hour shifts) without overtime compensation. APN employs 83 personnel, after having fired 170 workers during the past year. (Note: During the Aristide era, the payrolls of APN and public utilities were packed with Lavalas supporters, many of whom allegedly did not go to work. End note) After complaints of bloated staffing in July 2007 (ref B), the APN now needs additional employees to carry out daily tasks. Gay stated that because of a lack of modern equipment, APN needs more workers to carry out tasks that could otherwise be accomplished by fewer workers.

¶18. (SBU) There is a team of approximately 40 immigration, customs, port, and police personnel who board ships for inspection in an effort to crack down on drug trafficking and smuggling. The team uses unsophisticated methods, such as knocking on containers to hear if they are hollow, in an effort to determine the contents. Gay explained that port efficiency would improve if the APN used dogs, an X-ray machine, and/or a patrol boat. The APN does get some assistance from the Haitian Coast Guard.

Power and Transportation

¶19. (SBU) Haiti is part of a Venezuelan-Cuban-Haitian tripartite cooperative agreement. Cuba and Venezuela provide assistance to improve EDH electricity output and to upgrade the Cap Haitien airport. EDH Director James Norca told Emboffs that fuel consumption averages more than 24,000 gallons per year and this cost alone exceeds revenue. Norca reported that the Venezuelan-constructed and Cuban-trained electricity plant in Cap Haitien is running on a trial basis. The trial period offers limited electricity to three zones (excluding Labadée) until about 11 pm: city center of Cap Haitien receives 4 megawatts (MW); the zone near the airport receives 2.5 MW, and zones toward some provinces such as Limbe receive 2 MW. The plant has eight turbines (1.7 MW each) amounting to 13.6 MW (the maximum for Cap is 15 MW) (ref. C) (Note: Only six of the eight turbines are currently operating, per MINUSTAH. End note.) The plant currently operates on diesel fuel, but EDH plans to change to heating fuel (mazout) in two to three months. Cuban technicians trained eight Haitians as plant operators in Cuba for two months; eight others were trained in Haiti. Cuban technicians are supervising the transition to full-power operation. Although the plant is generating increased electricity, officials reported to NAS Director that it is also emitting a large amount of pollution. End note)

¶20. (SBU) There are extensive electrical system logistical problems such as grid networking and cable repair. Norca said that EDH urgently needs additional equipment and requested U.S. assistance to purchase vehicles and transformers. Norca added that 75 transformers were destroyed during 2000 and were never replaced. He has not received a response for replacement equipment from Port-au-Prince. MINUSTAH Civil Affairs Director Ahmad believes EDH headquarters in Port-au-Prince has the financial resources available to help, but will not part with them. She said EDH should assess the dilapidated state of electrical cabling. Norca said electricity is often stolen

and was concerned about the safety of the illegal tappers. Ahmad said MINUSTAH recently extinguished a transformer fire, and that her greatest fear for Cap Haitien is fire. MINUSTAH purchased three fire trucks for Cap Haitien in 2005 of which Ahmad said none are operable. She deplored the lack of equipment repair and encouraged donors to identify funding for this purpose.

¶21. (U) The Cap Haitien International Airport is Haiti's second busiest airport (ref D). Delegate Propheste told Emboffs that authorities are waiting for perimeter fencing to be completed. Additional gaps in security to accommodate international flights remain to be addressed. Members of the private sector believe that 40 percent of outbound passengers leaving Port-au-Prince's international airport are traveling from Cap Haitien. A high proportion of the Haitian Diaspora, particularly those settled in south Florida, originated from Cap Haitien and the northern region.

Tourism: Selling the North as a Destination

¶22. (U) The Association for Tourism of the North (ATH) presented to Emboffs its plans to promote the north as a tourist destination. Members disclosed that the EU's development agency, PRIMA, plans to give to the ATH USD 100,000 to hire a marketing consultant. The ATH also plans to conduct a feasibility study of each business to create a tourism package. The ATH says it needs USD 10 million to implement the study. The ATH has considered borrowing to finance this but it is concerned about high interest rates ranging from 14 to 17 percent. There are currently 200 hotel rooms in Cap Haitien. The ATH hopes to expand that number to 600 rooms. The Minister of Tourism, Patrick Delatour, supports development of the region and pledged USD one million for the marketing project, pending submission of ATH's budget. The members expressed concern over the U.S. State Department travel warning, complaining that it discourages tourism and economic development.

¶23. (U) The hotel industry has been severely affected by the hurricanes. The Cormier Plage Resort manager, Jean Bernard Simmonet, explained that the hotel (32 rooms) is normally at 40 percent capacity. Since the storms, the hotel is at only 4 to 5 percent of its capacity. He said it was nearly impossible to meet employee payroll and pay for fuel. ATH said that hundreds of jobs were lost when several NGOs left Cap Haitien to provide post-hurricane relief.

¶24. (U) Members of the private sector anticipate that the revitalized airport will allow American Eagle flights to operate from Cap Haitien. The strategy would be to market tourism to Caribbean travelers since American Eagle already flies to several Caribbean islands. Private sector members are confident that the new EU-financed road between the border town of Ouanaminthe to Cap Haitien will also boost tourism from the Dominican Republic. Cognizant of competing beaches and resorts across the Caribbean, the tourism industry would like to position Haiti for its culture, history and natural beauty. Adequate security remains an issue.

¶25. (SBU) Haiti's most successful tourism is the Royal Caribbean Cruise Line's (RCCL) private destination of Labadée (30 minute drive from Cap city center). RCCL employs 235 workers daily and approximately 640 employees and 40 expatriate contractors on the two to three days per week the cruise ships dock in Labadée. RCCL pays the government USD 6.00 per person in taxes. RCCL recently lost USD 500,000 due to an employee strike that prevented three ships from entry. RCCL Manager Broder Schutt told Emboffs that employees make more than four times the Haitian minimum wage (USD 1.75 per day). RCCL explained that employees were upset because they were not granted a salary increase despite RCCL's USD 54 million infrastructural investment project. Schutt confirmed that the dispute had been resolved.

¶26. (U) RCCL invested USD 54 million for pier construction

and Labadee development. RCCL expects up to 7,000 passengers on their new cruise ship *Oasis*, of which will stop in Labadee. Construction projects include the expansion of the beach, living quarters for expatriate employees, and general aesthetic improvements. Schutt said RCCL expects more passengers after pier completion in October 2009. RCCL is exploring the possibility of tours to the *Palais Sans Souci* in Milot, provided security and infrastructure are in place.

HOPE in the Free Trade Zone

¶27. (SBU) Emboff visited CODEVI apparel plant (owned by Fernando Capellan of Grupo M) in the Free Trade Zone -- situated in Ouanaminthe on the Haitian/Dominican border -- on November 21. CODEVI exports to the U.S. from Santiago in the Dominican Republic and employs approximately 3,000 workers in Haiti at its Dockers, Levi, Nautica, and Hanes-producing factories. CODEVI takes advantage of the Haitian Hemispheric Opportunity through Partnership Encouragement Act (HOPE) trade preference program for items produced for Dockers, Levi and Nautica trousers. CODEVI applies the CAFTA-DR preferences to T-shirts produced for Hanes. As a result of the 10-year HOPE Act extension, CODEVI will soon open a fifth factory in Ouanaminthe with an estimated 1,000 additional workers and manufacture women's undergarments for Fruit of the Loom.

¶28. (U) Delegate Prophete is anxious for new investments in the northern region. He requested that those companies and individuals interested in building factories in the region contact him. Members of the Cap Haitien private sector share his enthusiasm, but appear to discourage the idea of plant construction in the city of Cap Haitien to avoid overpopulation, which they believe was the case in Port-au-Prince.

Comment

¶29. (SBU) Major challenges remain for Cap Haitien but, despite numerous requests for USG assistance, most of the tools for development are nearly in place. The question "'what can the U.S. do for us'" came up repeatedly during meetings with public sector authorities, who appear frustrated with perceived central government indifference and lack of support. Given its close proximity to the U.S., the northern region is of strategic importance since many Haitians attempt to reach the U.S. from this area. (Note: 1,043 Haitians attempted to reach American soil by boat in FY 2008, the majority of them from the northern claw. End note) The building blocks for development exist: a completed electricity plant, prospects for a modernized airport, a port, a new road, numerous beaches, a labor force, and historical sites such as the *Palais Sans Souci* and the *Citadel*. The question remains: who will take the lead and convert Cap Haitien's assets and opportunities into better economic and social conditions for its residents.

TIGHE